

**Providing choice for skilled nursing facility services under the Medicare+Choice program**

**ISSUE:** The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA). included a provision guaranteeing Medicare+Choice members residing in continuing care retirement communities or SNFs the right to return to their home SNF after a hospital stay. What is the effect of this provision on Medicare+Choice plans? BIPA required that MedPAC conduct a study analyzing the effects of the provision on the scope of additional benefits provided under the Medicare+Choice program, the administrative and other costs incurred by Medicare+Choice organizations, and the contractual relationships between plans and SNFs.

**KEY POINTS:** Medicare+Choice coordinated care plans generally require that their members obtain care from providers in the plan's network. In some cases, beneficiaries enrolled in a Medicare+Choice plan-or their spouses- may reside in a SNF or a retirement community with a SNF not in the plan's network. When these members are hospitalized the plan may not cover post-hospital care in the resident's or spouse's SNF or the SNF in their retirement community—the home SNF.

The BIPA provision requires that plans cover post-hospital extended care services through a member's home SNF if the member elects such coverage. The facility must have a contract with the plan or agree to accept the same payment and terms as those applying to SNFs in the plan's network. Similar provisions are included in state laws in New York, California, and other states.

Staff will interview M+C organizations, nursing homes, retirement communities, and state government officials to learn about the impact of the BIPA provision on Medicare+Choice plans.

**ACTION:** Staff will present background information on the issue as background for the MedPAC report due in December 2002. Commissioners should provide feedback on issues to be considered in the development of this study.

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